

## Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 07114 01 OF 03 191424Z

ACTION EB-08

INFO OCT-01 IO-13 AF-10 ARA-10 EA-10 EUR-12 NEA-10

ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06

AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04

NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 SS-15

GSA-02 NSC-05 /136 W

-----100982 191621Z /45

R 191330Z AUG 77

FM USMISSION GENEVA

TO SECSTATE WASHDC 0438

INFO AMEMBASSY ANKARA

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY BUDAPEST

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CANBERRA

AMEMBASSY HELSINKI

AMEMBASSY JAKARTA

AMEMBASSY KINSHASA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY LUSAKA

AMEMBASSY MADRID

AMEMBASSY MANILA

AMEMBASSY MIEXCO CITY

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY OLSO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USLO PEKING

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 07114 01 OF 03 191424Z

AMEMBASSY RIO DE JANEIRO

AMEMBASSY ROME

AMEMBASSY SANTIAGO

AMEMBASSY SEOUL

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY WARSAW

LIMITED OFFICIAL USE SECTION 1 OF 3 GENEVA 7114

BRUSSELS ALSO FOR USEEC

PARIS ALSO FOR USOECD

E.O. 11652: N/A

TAGS: UNCTAD, ETRD

SUBJ: UNCTAD COPPER: FOURTH IEGC MEETING

1. THE INTERGOVERNMENTAL EXPERTS GROUP ON COPPER (IEGC) MET AT GENEVA AUGUST 16-18 IN ORDER TO FORMULATE THE TERMS OF REFERENCE FOR AN ECONOMIC FEASIBILITY STUDY ON A POSSIBLE INTERNATIONAL COMMODITY AGREEMENT FOR COPPER AS INSTRUCTED BY THE SECOND PREPARATORY MEETING ON COPPER IN MAY. THE GROUP WAS ALSO CHARGED WITH CONSIDERING CERTAIN OTHER SUBJECTS INCLUDING A POSSIBLE PRODUCER/CONSUMER FORUM FOR COPPER. THE NUCLEUS GROUP OF THIRTEEN PRODUCERS AND FIFTEEN CONSUMERS WAS REPRESENTED. IN ADDITION, SOME SIXTEEN OTHER GOVERNMENTS ATTENDED THE MEETING. A NUMBER OF DELEGATIONS CONTAINED HIGHLY SKILLED TECHNICAL OR ECONOMIC ADVISORS IN ORDER ADEQUATELY TO DEAL WITH THE COMPLEX SUBJECT MATTER OF THE MEETING.

2. THE IEGC REACHED FOUR IMPORTANT DECISIONS IN THE COURSE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 07114 01 OF 03 191424Z

OF THE MEETING:

(A) AGREEMENT TO COMMISSION AN ECONOMETRIC STUDY OF THE COPPER MARKET TO BE CARRIED OUT BY A PRIVATE CONSULTANT ON THE BASIS OF AN EXISTING ECONOMETRIC MODEL. THE STUDY IS TO FOCUS ON THREE TYPES OF INTERNATIONAL COMMODITY ARRANGEMENTS (PURE BUFFER STOCK, PURE SUPPLY MANAGEMENT AND A COMBINATION OF BOTH) UNDER A VARIETY OF SCENARIOS. INITIALLY SIMULATIONS ARE TO EMPLOY HISTORICAL DATA ONLY, BUT IT WAS AGREED THAT PROJECTIONS MIGHT BE USED AT A LATER STAGE. THE IEGC SUPPLIED THE SECRETARIAT, WHICH WILL BE COMMISSIONING THE STUDY, WITH DETAILED TERMS OF REFERENCE AND CHARGED THE CHAIRMAN OF THE GROUP WITH THE TASK OF ASSISTING THE SECRETARIAT IN THE CHOICE OF CONTRACTOR AND MONITORING THE PROGRESS OF THE STUDY, WHICH SHOULD BE COMPLETED NO LATER THAN NOVEMBER.

(B) AGREEMENT THAT THE ECONOMETRIC STUDY SHOULD CONSTITUTE ONLY A PART OF THE PROJECTED ECONOMIC FEASIBILITY STUDY, AND THAT THE SECRETARIAT SHOULD CARRY OUT STUDIES OF ASPECTS OF POSSIBLE COMMODITY AGREEMENTS WHICH DO NOT LEND THEMSELVES TO ANALYSIS BY ECONOMETRIC METHODS. EXAMPLES OF SUCH FEATURES

INCLUDE THE LEGAL, ADMINISTRATIVE, AND TECHNICAL ASPECTS OF SUPPLY MANAGEMENT SCHEMES AND THE MODALITIES OF OPERATING A BUFFER STOCK. DEVELOPING COUNTRY CONSUMERS OF COPPER ALSO INSISTED THAT THEIR CONCERNS BE STUDIED UNDER THIS HEADING. THE SECRETARIAT WAS INSTRUCTED TO DRAW UPON PAPERS ALREADY SUBMITTED BY GOVERNMENTS ON THESE AND OTHER SUBJECTS, AND GOVERNMENTS WERE ASKED TO SUBMIT ADDITIONAL PAPERS TO THE SECRETARIAT IN AREAS OF THEIR PARTICULAR INTEREST OR EXPERTISE.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 07114 02 OF 03 191440Z  
ACTION EB-08

INFO OCT-01 ISO-00 IO-13 AF-10 ARA-10 EA-10 EUR-12  
NEA-10 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06  
AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04  
NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 SS-15  
GSA-02 NSC-05 /136 W

-----101215 191623Z /45

R 191330Z AUG 77  
FM USMISSION GENEVA  
TO SECSTATE WASHDC 0439  
INFO AMEMBASSY ANKARA  
AMEMBASSY BELGRADE  
AMEMBASSY BERN  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY BUDAPEST  
AMEMBASSY BUENOS AIRES  
AMEMBASSY CAIRO  
AMEMBASSY CANBERRA  
AMEMBASSY HELSINKI  
AMEMBASSY JAKARTA  
AMEMBASSY KINSHASA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LA PAZ  
AMEMBASSY LIMA  
AMEMBASSY LONDON  
AMEMBASSY LUSAKA  
AMEMBASSY MADRID  
AMEMBASSY MANILA  
AMEMBASSY MEXICO CITY  
AMEMBASSY MOSCOW  
AMEMBASSY NEW DELHI  
AMEMBASSY OSLO

AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
USLO PEKING  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 07114 02 OF 03 191440Z

AMEMBASSY RIO DE JANEIRO  
AMEMBASSY ROME  
AMEMBASSY SANTIAGO  
AMEMBASSY SEOUL  
AMEMBASSY STOCKHOLM  
AMEMBASSY TOKYO  
AMEMBASSY WARSAW

LIMITED OFFICIAL USE SECTION 2 OF 3 GENEVA 7114

BRUSSELS ALSO FOR USEEC

PARIS ALSO FOR USOECD

(C) AGREEMENT THAT THE CHAIRMAN OF THE EXPERTS GROUP, IN CONSULTATION WITH GOVERNMENTS AND SECRETARIAT, SHOULD PREPARE A STUDY ON "THE IMPROVEMENT OF ARRANGEMENTS FOR CONSULTATION AND EXCHANGE OF INFORMATION BETWEEN PRODUCERS AND CONSUMERS OF COPPER, INCLUDING A POSSIBLE PRODUCER/CONSUMER FORUM". THE STUDY WILL BE BASED ON SUBMISSIONS TO THE CHAIRMAN BY GOVERNMENTS HAVING AN INTEREST IN THE SUBJECT.

(D) AGREEMENT THAT THREE CONSULTING FIRMS HAVE MODELS OF THE INTERNATIONAL COPPER INDUSTRY WHICH ARE SUITABLE FOR CARRYING OUT THE ECONOMETRIC STUDY AND THAT NO OTHER SUITABLE MODELS ARE AVAILABLE AT THIS TIME. THE THREE FIRMS ARE CHARLES RIVER ASSOCIATES AND WHARTON ECONOMETRIC FORECASTING ASSOCIATES, BOTH OF THE US, AND THE COMMODITIES RESEARCH UNIT OF GREAT BRITAIN. AFTER CONSIDERABLE DISCUSSION IT WAS DECIDED TO APPROACH CHARLES RIVER ASSOCIATES FIRST WITH COMMODITIES RESEARCH UNIT AS AN ALTERNATE CHOICE.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 07114 02 OF 03 191440Z

3. AS IN EARLIER MEETINGS WHICH FOCUSED LARGELY ON ECONOMIC AND TECHNICAL SUBJECTS, DEVELOPING COUNTRY PRODUCERS AND THEIR G-77 ALLIES WERE RELATIVELY PASSIVE. THEIR ATTITUDE SEEMED TO BE THAT THEY HAD ALREADY MADE THEIR DECISIONS AND THAT THEY DID NOT REQUIRE THE PROJECTED STUDY. HOWEVER, THEY INDICATED

""UNDERSTANDING" THAT INDUSTRIALIZED COUNTRIES REQUIRE A STUDY FIRST BEFORE REACHING MAJOR POLITICAL DECISIONS. THEREFORE IT WAS IN THEIR INTERESTS THAT THE NECESSARY STUDIES BE COMPLETED AS QUICKLY AND THOROUGHLY AS POSSIBLE IN ORDER TO PERMIT POLITICAL DECISIONS TO BE TAKEN.

4. DEVELOPED COUNTRY PRODUCERS SUCH AS CANADA AND AUSTRALIA CONTINUED TO SIDE WITH CONSUMERS ON MOST ISSUES, AS DID CHILE ON SOME ISSUES.

5. EARLY IN THE MEETING IT WAS EVIDENT THAT THE SECRETARIAT HOPED TO CREATE CONDITIONS WHICH WOULD MAKE A STUDY IMPOSSIBLE OR, ALTERNATIVELY, TO GUT THE STUDY BY SECURING ONLY BROAD GENERAL TERMS OF REFERENCE. THE SECRETARIAT WAS DISAPPOINTED ON BOTH COUNTS. THE EXPERTS GROUP PROVIDED DETAILED TERMS OF REFERENCE WITH THE AID OF THEIR ADVISORS, SEVERAL OF WHOM ARE COMPETENT ECONOMETRICIANS, AND IT WAS MADE CLEAR THAT IT WOULD BE POSSIBLE TO DO AN ADEQUATE STUDY IN THE TIME AVAILABLE AND AT REASONABLE COST.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 07114 03 OF 03 191446Z  
ACTION EB-08

INFO OCT-01 ISO-00 IO-13 AF-10 ARA-10 EA-10 EUR-12  
NEA-10 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06  
AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04  
NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 SS-15  
GSA-02 NSC-05 /136 W

-----101298 191623Z /45

R 191330Z AUG 77  
FM USMISSION GENEVA  
TO SECSTATE WASHDC 0440  
INFO AMEMBASSY ANKARA  
AMEMBASSY BELGRADE  
AMEMBASSY BERN  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY BUDAPEST  
AMEMBASSY BUENOS AIRES  
AMEMBASSY CAIRO  
AMEMBASSY CANBERRA  
AMEMBASSY HELSINKI  
AMEMBASSY JAKARTA  
AMEMBASSY KINSHASA

AMEMBASSY KUALA LUMPUR  
AMEMBASSY LA PAZ  
AMEMBASSY LIMA  
AMEMBASSY LONDON  
AMEMBASSY LUSAKA  
AMEMBASSY MADRID  
AMEMBASSY MANILA  
AMEMBASSY MEXICO CITY  
AMEMBASSY MOSCOW  
AMEMBASSY NEW DELHI  
AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
USLO PEKING  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 07114 03 OF 03 191446Z

AMEMBASSY RIO DE JANEIRO  
AMEMBASSY ROME  
AMEMBASSY SANTIAGO  
AMEMBASSY SEOUL  
AMEMBASSY STOCKHOLM  
AMEMBASSY TOKYO  
AMEMBASSY WARSAW

LIMITED OFFICIAL USE SECTION 3 OF 3 GENEVA 7114

BRUSSELS ALSO FOR USEEC

PARIS ALSO FOR USOECD

6. THE CHAIRMANSHIP OF THE IEGC EMERGED AS A KEY ELEMENT  
NOT ONLY IN THIS MEETING BUT IN THE ENTIRE STUDY PROCESS  
BETWEEN NOW AND THE NEXT PREPARATORY MEETING. NOT ONLY IS THE  
CHAIRMAN TO PLAY A ROLE IN SELECTING THE CONTRACTOR FOR  
THE ECONOMETRIC STUDY AND MONITORING ITS PROGRESS, BUT HE  
HIMSELF IS CHARGED WITH PREPARING THE STUDY ON THE PRODUCER/  
CONSUMER FORUM. ANTICIPATING THESE DEVELOPMENTS USDEL WAS  
ABLE TO SECURE THE CHAIRMANSHIP FOR MR. GORDON STREEB,  
ALTERNATIVE CHIEF OF THE US DELEGATION AND COMMODITIES OFFICER  
ATTACHED TO THE US MISSION IN GENEVA. STREEB DID AN ADMIRABLE  
JOB OF CHAIRMANSHIP AND IT WAS CLEAR THAT HIS OWN ECONOMIC  
TRAINING AND EXPERIENCE, COUPLED WITH HIS STRATEGIC LOCATION,  
WOULD ENABLE HIM TO KEEP A CLOSE REIN ON THE SECRETARIAT  
DURING THE COMING MONTHS. THE US DELEGATION, ACTING THROUGH  
THE CHAIRMAN AND ITS TECHNICAL ADVISORS PLAYED A  
SIGNIFICANT LEADERSHIP ROLE IN THIS MEETING, AND PARTICULARLY  
IN THE FORMULATION OF THE TERMS OF REFERENCE FOR THE  
ECONOMETRIC STUDY AND THE SELECTION OF THE CONTRACTORS  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 07114 03 OF 03 191446Z

TO BE APPROACHED. WE WERE ABLY SUPPORTED BY THE UK,  
JAPAN, THE FRG AND CANADA ON ALMOST ALL ISSUES. VANDEN HEUVEL

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COPPER, MEETINGS, COMMODITY AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 19-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977GENEVA07114  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770300-0268  
**Format:** TEL  
**From:** GENEVA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770845/aaaablpk.tel  
**Line Count:** 339  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** cf210358-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 7  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1552277  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNCTAD COPPER: FOURTH IEGC MEETING  
**TAGS:** ETRD, UNCTAD  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/cf210358-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009